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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

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IN THE MATTER OF THE GENERIC
INVESTIGATION INTO U S WEST
COMMUNICATIONS, INC.'S COMPLIANCE
WITH CERTAIN WHOLESALE PRICING
REQUIREMENTS FOR UNBUNDLED
NETWORK ELEMENTS AND RESALE
DISCOUNTS

) Docket No. T-00000A-00-0194

ARIZONA CORPORATION COMMISSION,

) Docket No. T-01051B-02-0871

Complainant,

v.

QWEST CORPORATION,

Respondent.

COMMENTS ON STAFF RESPONSE TO MOTIONS OF MTI, QWEST AND TIME WARNER

Mountain Telecommunications, Inc. (MTI), by its attorneys, hereby submits its
comments on Staff's Response to the Motions of MTI, Qwest and Time Warner.

Among the matters addressed by Staff is the motion for injunction which was filed by MTI on January 16, 2003 in the above-captioned proceedings. In that motion, MTI asked the Commission to enjoin Qwest from charging unlawful rates for certain unbundled network elements, specifically, transport and Local Interconnection Service, based upon Qwest's implementation of the Commission's June 12, 2002 Decision No. 64922 in Docket No. T-00000A-00-0194 (Phase II Order).

Following receipt of MTI's motion, the Commission Staff conducted discovery and has concluded that Qwest's application of combined transport and entrance facility rates has resulted in "an unexpected and unreasonable rate increase" not intended by the Phase II Order. As noted by Staff, the new transport rates were based on a "mistaken assumption" that whenever CLECs purchase circuits they would incur entrance facility charges. That assumption is not correct and has resulted in Qwest charging new rates which include entrance facility charges, even in situations in which no entrance facility is needed nor provided. In short, as stated correctly by Staff, Qwest is now charging certain customers for facilities which it is not providing.

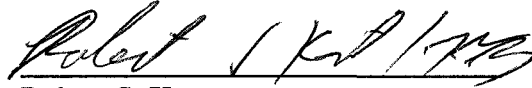
Staff has recommended that the Commission use its authority under A.R.S. § 40-252 to reopen the record of Phase II on its own initiative and grant such relief as is necessary to ensure transport rates which are consistent with the Commission's expectations in Decision No. 64922. To achieve this objective, Staff offers two options: 1) reinstate the prior Interconnection Entrance Facility and Direct Trunked Transport recurring rates so that carriers would only pay for the facilities they are actually leasing from Qwest; or 2) require Qwest to deduct the prior Entrance Facility recurring rate from the new combined rate for those Direct Trunked Transports to which the prior Entrance Facility rate did not apply (or for new Direct Trunked Transport, deduct from those to which the Entrance Facility rate would not have applied).

MTI commends Staff for engaging in the necessary discovery and for accurately identifying how the unexpected and unreasonable transport rate increases came about. MTI also believes that the unreasonable rates resulting from Qwest's implementation of Decision No. 64922 could be achieved through either of the two options identified by Staff. However, MTI believes that Staff's first option is the preferable approach and should be mandated by the Commission. Immediate reinstatement of the pre-Decision No. 64922 Interconnection Entrance Facility and Direct Trunked Transport rates pending completion of Phase III would achieve the needed rate adjustments in the most efficient manner for all affected parties, including Qwest as well as those CLECs (including MTI) who utilize Qwest Transport in order to provide competing local telecommunications services. Staff's first option could be implemented immediately with the proper rates appearing on the next set of invoices, whereas the second option would require recalculation of many rates being charged to many carriers. As the Commission is well-aware, it took Qwest more than six months to implement the rate changes required by Decision No. 64922. MTI fears that the re-rating of services which would be necessitated by the second option could similarly result in long delays in implementation.

Finally, MTI requests that the Commission, in acting on Staff's recommendation, should specify that the rate adjustments contemplated should be made effective retroactively to June 12, 2002 – the effective date of Decision No. 64922.

Respectfully submitted,

MOUNTAIN TELECOMMUNICATIONS, INC.

A handwritten signature in black ink, appearing to read "Robert S. Kant", written over a horizontal line.

Robert S. Kant

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March 18, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Motion to Postpone Procedural Conference on all parties of record in these proceedings by mailing a copy thereof, properly addressed with first class postage prepaid to the following:

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Dated at Washington, D.C., this 18th day of March, 2003.


Michelle D. Diedrick